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August 31, 2006

**ELECTRONICALLY FILED**

Honorable Joseph J. Farnan, Jr., U.S.D.J.  
United States District Court, District of Delaware  
J. Caleb Boggs Federal Building  
844 North King Street, Room 4124  
Lockbox 27  
Wilmington, DE 19801

***Re: Lucent Technologies Inc. v. Christine C. Shubert***  
**Case No. 06-147(JJF)**

Dear Judge Farnan:

We write on behalf of the Trustee in response to Lucent's letter filed yesterday. Lucent advised the Court of a two day old decision (the "Decision") from the United States Court of Appeals for the Third Circuit, Scarborough v. Chase Manhattan Mortgage Corp. (In re: Frances Scarborough), No. 04-4298.

The Trustee objects to Lucent's letter, because the Decision is not pertinent to this case. It merely (1) quotes 11 U.S.C. § 506(a)(1) for the proposition that a creditor's secured proof of claim must ultimately be bifurcated into a secured claim to the extent of the value of the collateral and an unsecured claim for the balance, and (2) restates the Third Circuit's reliance on the "plain meaning" rule in interpreting the Bankruptcy Code.

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The Decision is of little or no value to this Court, and was not worthy of submission. If anything, the Third Circuit's continuing reliance on the "plain meaning" rule buttresses the arguments made by the Trustee in opposition to the appeal (Trustee's Brief at pp. 44-45) that the plain meaning of Section 547(b)(4) requires that "new value" be completely unsecured -- not undersecured as Lucent argues in its appeal.

Respectfully submitted,

*/s/ Sheldon K. Rennie (#3772)*

Sheldon K. Rennie

SKR/mlr

cc: Stephen M. Rathkopf, Esq. (via facsimile)  
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